

## NWPCA Regulatory Alert – March 22, 2002

### IPPC Passage – Just the Beginning

#### Summary

After several years of negotiations, the International Plant Protection Convention, a United Nations treaty governing 118 participating nations, was passed March 15, 2002. (see Participating Countries pg. 2). Does this mean we have an easily implementable, universal international standard? Not even close.

In theory the IPPC now binds all participating countries to a minimum set of standards for international shipments of wood packaging materials, but there are enough exceptions that the treaty's actual impact on international shipping will continue to need monitoring, analysis and research — NWPCA will do that and provide our members with the pallet provider's perspective. Here are just a few examples of variations allowable under the treaty:

- Nations may establish more stringent regulations for imports into their own countries, but the IPPC says that any such requirements should be based on significant technical/scientific evidence of efficacy.
- Nations may establish bilateral agreements with different requirements for different trading partners.
- The U.S., through APHIS, is continuing to study its own import regulations and while it is anticipated that it will comply with the IPPC minimum standard, final import regulations will not be promulgated until the completion of the pest remediation study the completion of which is anticipated approximately 2005. (Inevitably from a political standpoint a U.S. import posture could impact trading partner actions and reactions.)

#### Customer-Driven Implementation

There is no identified timeline for implementation. NWPCA intends to monitor each country for its implementation procedures and introduction. It likely will be a long, drawn out affair. The European Union and Canada are expected to be the first to officially implement the standard in late 2002. Others will follow much more slowly.

But NWPCA thinks likely that implementation will be driven by customer demands to meet the standard long before nations themselves officially implement the treaty's regulations. End users with concerns about the perceived potential for embargo may ask their wood pallet provider to meet the IPPC guidelines immediately. NWPCA members need to be prepared to meet customer demands even if the reality of implementation in each country is a long way off.

That is why this NWPCA Regulatory Alert includes the IPPC approved pest treatment standards (page 2), compliance and certification (page 3) and marks (page 3). We have provided the procedures for meeting the IPPC standards long before you will need them on a regulatory compliance basis, because we want you to have the tools you need to meet customer demands and provide clarity on this important issue.

#### **NWPCA's Role in the IPPC Process**

NWPCA worked closely with the Animal Plant and Health Protection Service (APHIS) of the U.S. Department of Agriculture in developing pest control requirements that would not introduce unnecessary measures and would allow all available treatment options.

NWPCA sent a list of our industry’s concerns and recommendations to the U.N. working group. We’re pleased to say that some were integrated into the final document. One such inclusion was fumigation as a general measure. Another was the ability to introduce new treatment technologies as they become available.

With passage of the treaty, NWPCA’s role turns away from influencing the process and moves instead toward monitoring and reporting. We will be carefully tracking the implementation of the IPPC country-by-country. We will also be analyzing bilateral agreements between various countries. NWPCA will report to members these conditions and any embargoes that occur.

### **Participating Countries**

Albania	Czech Republic	Iraq	Niger	St. Kitts & Nevis
Algeria	Denmark	Ireland	Nigeria	St. Vincent and the Grenadines
Argentina	Dominican Republic	Israel	Norway	Sudan
Australia	Ecuador	Italy	Oman	Suriname
Austria	Egypt	Jamaica	Pakistan	Sweden
Azerbaijan	Equatorial Guinea	Japan	Panama	Switzerland
Bahamas	El Salvador	Jordan	Papua New Guinea	Thailand
Bahrain	Eritrea	Kenya	Paraguay	Togo
Bangladesh	Estonia	Korea	Peru	Trinidad & Tobago
Barbados	Ethiopia	Laos	Philippines	Tunisia
Belgium	Finland	Lebanon	Poland	Turkey
Belize	France	Liberia	Portugal	United Arab Emirates
Bhutan	Germany	Libyan Arab Jamahiriya	Romania	United Kingdom
Bolivia	Ghana	Lithuania	Russian Federation	United States of America
Brazil	Greece	Luxembourg	Saudi Arabia	Uruguay
Bulgaria	Grenada	Malawi	Senegal	Venezuela
Burkina Faso	Guatemala	Malaysia	Seychelles	Yemen
Cambodia	Guinea	Mali	Sierra Leone	
Canada	Guyana	Malta	Slovenia	Zambia
Cape Verde	Haiti	Mauritius	Solomon Islands	
Chile	Hungary	Mexico	South Africa	
Colombia	India	Moldova	Spain	
Costa Rica	Indonesia	Morocco	Sri Lanka	
Croatia	Iran	Netherlands		
Cuba		New Zealand		
Cyprus		Nicaragua		

**IPPC requirements apply to all species of coniferous (softwood) and non-coniferous**

(hardwood) packaging materials.

**IPPC Approved Pest Treatment Standards**

**Heat Treatment (HT):** Wood packaging material should be heated in a schedule that achieves a minimum core temperature of 56°C for a minimum of 30 minutes.

**Kiln Drying (KD) or Chemical Pressure Impregnation (CPI):** These and similar treatments may be considered HT treatments to the extent that they meet the above listed HT specifications. For example, CPI may meet the HT specification through the use of steam, hot water or dry heat; CPI alone without the HT certification does not comply.

**Methyl Bromide (MB) Fumigation:** The wood packaging material should be fumigated with methyl bromide. The minimum standard for methyl bromide fumigation treatment for wood packaging material is as follows:

<u>Temperature</u>	<u>Dosage Rate</u>	<u>Minimum Concentration (g/m<sup>3</sup>) at:</u>			
		<u>0.5 hrs.</u>	<u>2 hrs.</u>	<u>4 hrs.</u>	<u>16 hrs.</u>
21°C or above	48	36	24	17	14
16°C or above	56	42	28	20	17
11°C or above	64	48	32	22	19

The minimum temperature should not be less than 10°C and the minimum exposure time should be 16 hours.

**Compliance and Certification**

**Heat Treatment:** APHIS has authorized the American Lumber Standards Committee to administer the heat treatment certification program. Pallet providers who wish to participate in the ALSA heat treatment program can contact them at 301-972-1700 for the name of an authorized grading agency. Names and addresses for ALSA’s inspection services can be found on NWPCA’s website at [www.palletcentral.com](http://www.palletcentral.com) in the member-only section.

**Fumigation:** At the urging of NWPCA, the IPPC now includes a fumigation option by Methyl Bromide. However, there is no existing compliance certification program as there is for heat treatment. NWPCA and a volunteer task force group is exploring how the association can best serve our members in facilitating development of a compliance program that would be of value to pallet makers. We will be working with the Animal Plant and Health Inspection Service and the American Lumber Standards Committee with the objective to implement a simple, effective, economical certification program.

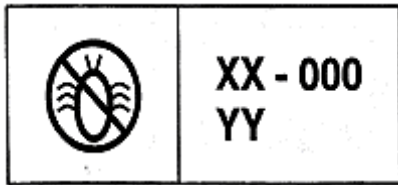
Methyl Bromide has been on a 100% phase out since 1991 with total elimination scheduled to occur in 2005. The following is the Environmental Protection Agency’s phase out schedule for production and importation of methyl bromide:

- 25% reduction in 1999
- 50% reduction in 2001
- 70% reduction in 2003
- 100% reduction in 2005

NWPCA is also working with the EPA to qualify for a Critical Use Exemption for our industry to continue using methyl bromide. They will begin accepting request applications in the second quarter of the year, the department will review applications mid to late 2002 and the Technology and Economic Assessment Panel and Methyl Bromide Technical Option Committee will review applications and make recommendations. Authorizations for exemptions are scheduled for Fall of 2003.

## IPPC Marks

The mark shown below certifies that the wood packaging material that bears the mark has been subjected to an approved measure. This universal mark replaces all previous international marks.



The mark should at minimum include the:

- Official bug symbol
- ISO two-letter country code followed by a unique number assigned to your company by the National Plant Protection Organization in your country (APHIS for U.S. companies — NWPCA international members can contact us for the National Plant Protection Organization contact information in your country).
- IPPC abbreviation for the approved measure: HT for heat treatment, MB for fumigation by methyl bromide.

Markings should be:

- Laid out according to the model shown here
- Legible
- Permanent and not transferable
- Placed in a visible location
- Preferably on at least two opposite sides of the article being certified.

Red or orange are used in labeling dangerous goods and should be avoided for wood packaging marks.

Recycled, remanufactured or repaired wood packaging material should be re-certified and re-marked. All components of such material should have been treated.

## What Happens Next

**For NWPCA members:** Your next step is to deliver copies of this NWPCA Regulatory Alert to your customers and prospects so they know that wooden pallets and containers remain viable international shipping platforms under the new guidelines. A plastic pallet manufacturer has already run an ad with the headline “Will your pallets to Europe pass customs? Not if they’re wood.” That statement was not true for EU Requirements and it is not true

under IPPC, but competitive instincts will drive alternative material pallet makers to try to take advantage of the confusion surrounding this issue. NWPCA has provided facts so that you can be a consultant to your customers and assure them that wood pallets remain effective and efficient unit load platforms in international shipments.

**For NWPCA:** We intend to do the following:

- Track the implementation process country-by-country.
- Monitor and report any embargoes and the conditions surrounding them.
- Work with APHIS and ALSC in developing a compliance and certification program for members who wish to use fumigation as their treatment option.
- File for a Critical Use Exemption with the EPA for continued use of methyl bromide by our industry.
- Seek to identify new technologies that are effective and economical for pest eradication.

**For End Users:** End users will likely view the IPPC in a relatively positive light in that it is perceived by them as offering a universal shipping standard. However, any change in regulations will cause a certain level of apprehension among shippers, and as countries stray from the treaty in terms of either more stringent requirements or bilateral agreements, confusion will result.

End users will be looking for assurances that wood pallets will be accepted and passed through foreign ports. NWPCA members need to convey to end users the responsiveness of the wood pallet industry to customer needs on this issue. You need to communicate that your association is monitoring implementation of the treaty, and that we have an ongoing relationship with the U.S. departments of Agriculture and Commerce and are dedicated to facilitating a balance between pest elimination and an unimpeded international trade. End users will be looking for answers; NWPCA has provided them to you so you can offer solutions to customers and prospects.

***A Word About Compliance:*** *Wood pallet providers need to stay mindful that adherence to treatment methods and marking systems is very important and a sensitive issue, because any misrepresentation could have a powerful adverse impact throughout the entire industry. If loads are quarantined or destroyed because of a discrepancy between the marking and the condition of the wood, our industry will get a black eye that may not heal.*